

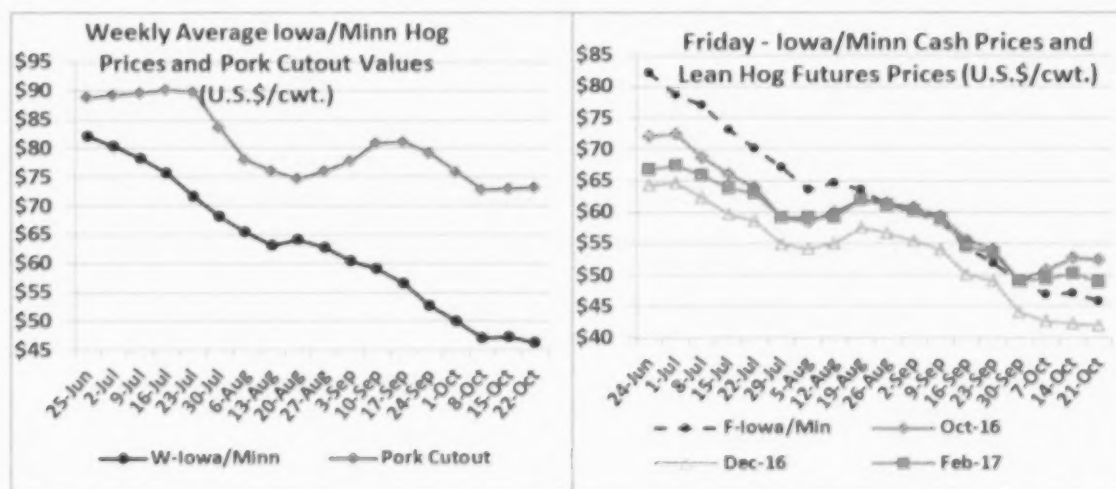
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Weekly Hog Report

October 24, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved lower last week on new all-time high record U.S. hog slaughter numbers to end the week lower, week-over-week. Hog prices on Friday October 21 averaged US\$45.81 per cwt, down US\$1.21 per cwt from US\$47.02 per cwt the previous Friday. The negotiated weekly base price last week averaged US\$46.17 per cwt, down US\$0.94 per cwt from US\$47.11 per cwt the previous week.



Source: LMIC

Source: LMIC, CME

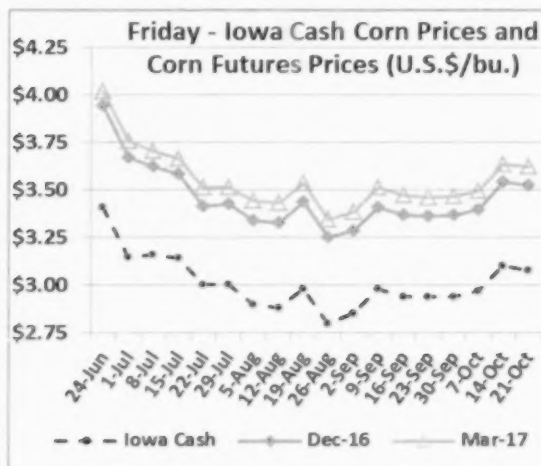
In Canada, the new contract Signature#5 (Maple Leaf) Index 100 daily price for Friday October 21, 2016 was \$120.27 per ckg, down \$1.81 per ckg from \$122.08 per ckg from the Signature#5 price the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged \$120.35 per ckg, down \$2.04 per ckg or 1.7 per cent from the previous weeks' average price of \$122.39 per ckg. The Canadian dollar declined last week to close Friday at 75.04 cents, down 1.03 cents from 76.07 cents the previous Friday.

Futures Markets

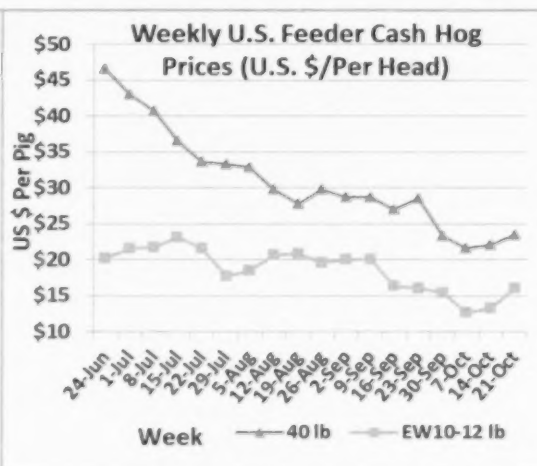
United States lean hog futures daily prices were mixed over the week but edged lower week-over-week. The nearby October contract declined US\$0.300 per cwt to expire at US\$52.300 per cwt, while the December contract declined US\$0.375 per cwt to settle Friday at US\$41.850 per cwt. The February 2017 lean hog futures contract, declined by US\$1.550 per cwt last week to settle Friday at US\$48.725 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US\$16.04 per head, up US\$2.74 per head from US\$13.30 per head the previous week. Feeders (40lb) averaged US\$23.46 per head, up US\$1.35 per head from US\$22.11 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

U.S. corn prices edged lower last week. Iowa cash corn prices declined two cents last week to settle Friday at US\$3.08 per bushel. Daily U.S. corn futures prices were mixed but primarily lower last week with bigger losses on Thursday to help prices edge lower, week-over-week. The December 2016 corn futures contract declined almost two cents to settle Friday at 3.52 ½ per bushel, while the March 2017 corn contract declined 1½ cents per bushel to settle Friday at US\$3.62 ¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 22 were estimated at 2.514 million head, up 9.1 per cent from 2.304 million head the previous week, and up 8.4 per cent from 2.319 million head the same week a year ago. Weekly U.S. hog slaughter numbers of 2.514 million head were a new all-time record high breaking the previous record of 2.508 million head in December 2015. U.S. hogs slaughtered over the last four weeks ending October 22 averaged 2.424 million head per week, up 5.4 per cent from 2.300 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Canadian Thanksgiving week ending October 15, 2016 were estimated at 367,746 head, down 13.5 per cent from 425,296 head the previous week, and down 11.4 per cent from 415,110 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 415,824 head, down 1.2 per cent from 420,663 head over the same period in 2015. Year-to-date for 2016 hogs slaughtered in Canada totaled 16,600,590 head, up 1.3 per cent from 16,386,201 head the same period in 2015. (Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending October 22, 2016 was estimated at 527.4 million lb.; up 9.2 per cent from 482.9 million lb. the previous week, and up 7.0 per cent from 492.9 million lb. the same week a year ago. Pork production over the last four week's ending October 22 was estimated to average 508.6 million lb., up 4.6 per cent from 486.2 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 22 was estimated at 504.5 million lb., up 0.3 per cent from 502.8 million lb. the previous week, and up 7.4 per cent from 469.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 15, 2016, was estimated to average 2.148 billion lb., up 2.6 per cent from 2.093 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.5 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Oct. 15) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	482.7	506.3	4.9%	0.8%
Beef	481.2	507.3	5.4%	4.9%
Chicken	1,001.0	1,005.2	0.4%	1.9%
Turkey	127.7	129.1	1.1%	5.1%
Total	2,092.6	2,147.9	2.64%	2.51%

Source: LMC

Cutout Values

U.S. national pork cutout values for the week ending October 22, 2016 averaged US\$73.08 per cwt, steady and slightly higher from US\$72.84 per cwt the previous week, but down 17.2 per cent from US\$88.22 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending October 22, 2016 averaged US\$179.99 per cwt over the week, down US\$2.44 per cwt or 1.3 per cent from US\$182.43 per cwt the previous week, and down 16.7 per cent from US\$216.03 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending October 22, 2016 averaged US\$114.34 per cwt, down US\$5.57 per cwt or 4.6 per cent from US\$119.91 per cwt the previous week, but up 7.3 per cent from US\$106.61 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on October 21, 2016. The United States' pork stocks in cold storage totaled 642.0 million lb. on September 30, 2016, down 2.1 per cent from 655.9 million lb. on September 30, 2015, but up 5.4 per cent from 609.0 million lb. on August 31, 2016. U.S. pork stocks in cold storage for September 2016 were over 23 per cent higher than the ten year September average, but below the ten year September highs of 655.9 million lb. established in September 2015.

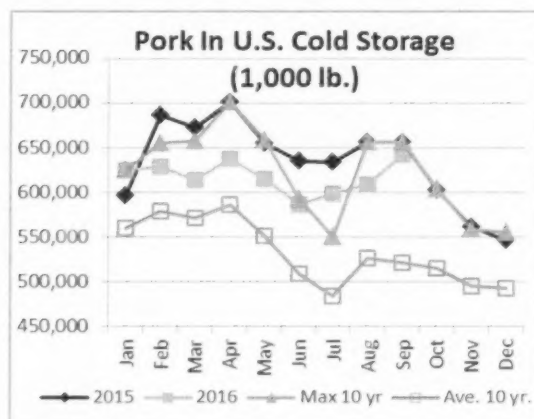
United States Stocks in Cold Storage (Frozen)

1,000 Pounds			
Commodity	30-Sep-2015	31-Aug-2016	30-Sep-2016
Pork	655,930	608,955	642,044
Beef	498,346	476,593	520,717
Chicken	800,205	773,705	768,728
Turkey	449,622	532,579	511,119
Total Combined	2,404,103	2,391,832	2,442,608

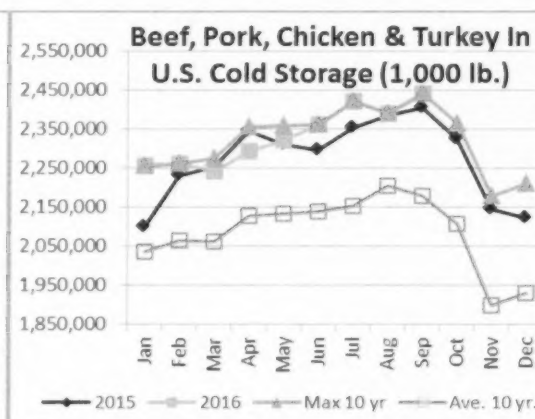
Source: NASS

The United States' beef stocks in cold storage totaled 520.7 million lb. on September 30, 2016, up 4.5 per cent from 498.3 million lb. on September 30, 2015, and up 9.3 per cent from 476.6 million lb. on Aug. 31, 2016. Beef in cold storage for September was well above the ten year average and established a new all-time record high surpassing the previous record of 520.3 million lb. in November 2006.

Total pork, beef, chicken and turkey in cold storage on September 30, 2016 were at 2.443 billion lb., 1.6 per cent above the August 31, 2016 storage numbers, and 2.1 per cent above the September 2015 numbers. U.S. meat in cold storage established a new all-time record high for the last ten years. Higher meat in cold storage could lead to overall softer meat prices this fall and winter in North American as production is expected to be higher for pork and beef in the fourth quarter.



Source: NASS



Source: NASS

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca